GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1534
ANSWERED ON:24.07.2002
RESTRUCTURING PLAN
VILAS BABURAO MUTTEMWAR

Will the Minister of STEEL be pleased to state:

(a) whether the proposed restructuring plan of the Steel Authority of India including reduction in staff and disinvestment in favour of a strategic partner has been finalised;

(b) if so, which of the units of SAIL are proposed to be disinvested and the amount to be realised as a result thereof;

(c) the present staff strength of the SAIL and how far it is proposed to be reduced and the financial implications involved in paying the retirement benefits to the employees; and

(d) the total profit/loss of SAIL during each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): While there is no plan to divest SAIL in favour of a strategic partner, the financial and business restructuring package that was approved by the Government in February, 2000 included, inter alia, rightsizing of manpower besides divestment of the following non-core assets of SAIL:

- Power plants at Bokaro, Durgapur, Rourkela and Bhilai Steel Plants
- Oxygen Plant-2 at Bhilai Steel Plant
- Salem Steel Plant
- Alloy Steel Plant
- Visvesvaraya Iron and Steel Plant
- Fertiliser Plant at Rourkela Steel Plant
- Conversion of IISCO into a joint venture, with SAIL holding minority share holding.

Of the above, Captive Power Plants at RSP, DSP, BSL and BSP have already been divested and a capital gains of Rs.777 crore have been achieved. The amount to be realised from divestment of non-core assets will be known only after the divestment is completed.

(c) The manpower strength of SAIL as on 30.6.2002 was 1,45,953 and the strength would be brought down to the level of 1,00,000 by March, 2005. Approximately, Rs.3230 crores will be required for paying the retirement benefits to nearly 46,000 employees separating through VRS or on superannuation.

(d) The total profit/loss (-) of SAIL for the last three years is as under:

Particulars	1999-2000	2000-2001	2001-2002 (Prov.)
Net Profit/Loss(-) Profit Before Tax (PBT)	(-) 1720	(-) 729	(-) 1707